

Combined Utility System Fund  
For the period ended September 30, 2004  
(amounts expressed in thousands)

	Unaudited Preliminary FY2004	Adopted Budget	Current Budget	FY2005 YTD	Controller's Projection	F&A Projection
<b>Operating Revenues</b>						
Water Sales	\$ 265,272	\$ 311,068	\$ 311,068	\$ 81,383	\$ 311,068	\$ 311,068
Sewer Sales	257,224	299,253	299,253	74,802	299,253	299,253
Penalties	4,150	3,741	3,741	1,225	3,741	3,741
Other	4,562	4,360	4,360	1,161	4,360	4,360
Total Operating Revenues	<u>531,208</u>	<u>618,422</u>	<u>618,422</u>	<u>158,571</u>	<u>618,422</u>	<u>618,422</u>
<b>Operating Expenses</b>						
Personnel	124,193	122,241	122,241	28,693	122,387	122,387
Supplies	23,141	26,007	26,007	6,329	25,922	25,922
Electricity and Gas	35,200	47,169	47,169	10,164	47,108	47,108
Contracts & Other Payments	70,149	92,013	92,013	9,703	92,013	92,013
Total Operating Expenses	<u>252,683</u>	<u>287,430</u>	<u>287,430</u>	<u>54,889</u>	<u>287,430</u>	<u>287,430</u>
Operating Income (Loss)	<u>278,525</u>	<u>330,992</u>	<u>330,992</u>	<u>103,682</u>	<u>330,992</u>	<u>330,992</u>
<b>Nonoperating Revenues (Expenses)</b>						
Interest Income	13,461	5,161	5,161	1,921	5,161	5,161
Sale of Property, Mains and Scrap	596	508	508	297	508	508
Other	70,832	7,863	7,863	479	7,863	7,863
Impact Fees	0	14,000	14,000	7,056	14,000	14,000
HAWC	(2,237)	(4,608)	(4,608)	(1,677)	(4,608)	(4,608)
CWA & TRA Contracts (P & I)	(31,454)	(32,317)	(32,317)	(11,919)	(32,317)	(32,317)
Total Nonoperating Rev (Exp)	<u>51,198</u>	<u>(9,393)</u>	<u>(9,393)</u>	<u>(3,843)</u>	<u>(9,393)</u>	<u>(9,393)</u>
Income (Loss) Before Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>99,839</u>	<u>321,599</u>	<u>321,599</u>
<b>Operating Transfers</b>						
Debt Service Principal	67,492	12,675	12,675	3,507	12,675	12,675
Debt Service Interest	154,238	179,902	179,902	17,707	179,902	179,902
Discretionary Debt	29,572	28,934	28,934	15,538	28,934	28,934
Other Contractual Obligations	0	474	474	0	474	474
Equipment Acquisition	8,145	17,862	17,862	0	17,862	17,862
CUS General Purpose Fund	0	49,752	49,752	55,587	49,752	49,752
Transfer to General Fund	0	2,000	2,000	0	2,000	2,000
Transfer to Combined Utility System	60,176	0	0	0	0	0
Transfer to Stormwater	10,100	30,000	30,000	7,500	30,000	30,000
Total Operating Transfers	<u>329,723</u>	<u>321,599</u>	<u>321,599</u>	<u>99,839</u>	<u>321,599</u>	<u>321,599</u>
Net Current Activity						
Operating Fund Only	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

**About the Fund:**

The Combined Utility System Fund is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.